

25—2.1 (175) Operational definitions.

“Agricultural improvements” means any improvements, buildings, structures or fixtures suitable for use in farming which are located on agricultural land. Agricultural improvements include a single-family dwelling located on agricultural land which is or will be occupied by the beginning farmer and structures attached to or incidental to the use of the building.

“Agricultural land” means land suitable for use in farming and which is or will be operated as a farm.

“Application” means a completed instrument with all of the information required by subrule 2.7(4) in the Bond Market Loan Program or rule 2.10(175) in the Individual Agricultural Development Bond Program. The time of application is when a completed application is submitted to the authority.

“Bond purchaser” means any person as defined in Iowa Code section 4.1(13), other than a participating lender, who purchases an authority bond under the Individual Agricultural Development Bond Program.

“Depreciable agricultural property” means personal property suitable for use in farming for which an income tax deduction for depreciation or cost recovery is allowable in computing federal income tax under the Internal Revenue Code and which is qualified for financing with tax-exempt bonds pursuant to section 144 of the Internal Revenue Code.

“Eligible applicant” means an individual who has a net worth of not more than the maximum allowable net worth for calendar year 2013 of \$691,172. The maximum allowable net worth for each calendar year shall be increased or decreased as of January 1 of such calendar year by an amount equal to the percentage increase or decrease (September to September) in the United States Department of Agriculture “Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates” reported as of October 1 of the immediately preceding calendar year. The applicant must also be a beginning farmer, as defined in Iowa Code section 175.12, who satisfies all of the criteria contained in the Act and provisions of these rules relating to recipient eligibility and who operates or will operate a farm.

“Farm” means a farming enterprise which is recognized in the community as a farm rather than a rural residence.

“Lender” means a participating lender or a bond purchaser.

“Participating lender” means any bank, trust company, bank holding company, mortgage company, national banking association, savings and loan association, life insurance company, state or federal governmental agency or instrumentality or other financial institution or entity authorized and able to make mortgage loans or secured loans in this state.

Total assets shall include but not be limited to the following: Cash; crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities (not readily marketable); accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery, equipment, cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in a trust; government payments or grants; any other assets.

Total liabilities shall include but not be limited to the following: Accounts payable; notes or other indebtedness owed to any source; taxes; rent; amount owed on real estate contract or real estate mortgages; judgments; accrued interest payable; any other liabilities.

1. Total assets shall not include items used for personal, family or household purposes by the applicant; but in no event shall any property be excluded, to the extent a deduction for depreciation is allowable for federal income tax purposes. All assets shall be valued at fair market value by the participating lender. The value shall be what a willing buyer would pay a willing seller in the locality. A deduction of 10 percent may be made from fair market value of farm and other real estate.

2. Liabilities shall be determined on the basis of generally accepted accounting principles.

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